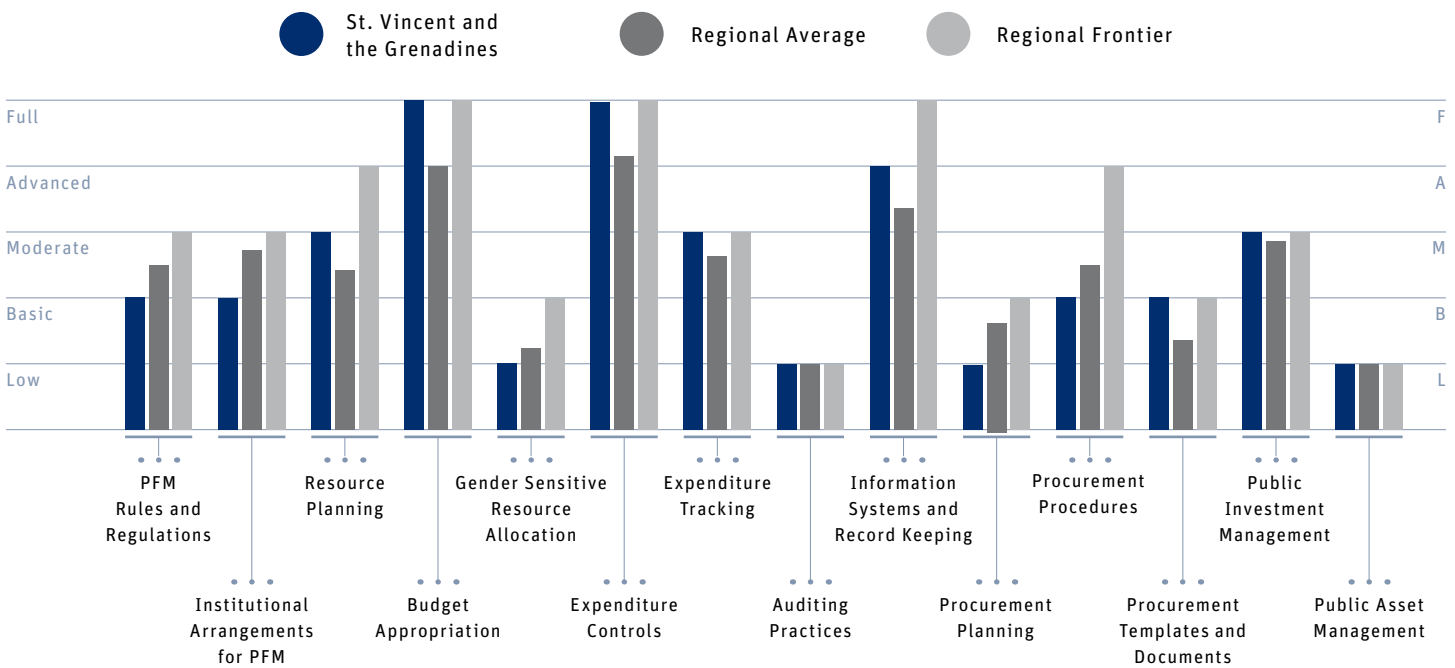


ST. VINCENT AND THE GRENADINES

How Disaster Resilient is St. Vincent and the Grenadines' Public Financial Management?

Effective institutions and systems of public financial management (PFM) play a critical role in the preparation and response to disasters. Strong PFM ties together often scarce available resources with their appropriate and sustainable use to ensure that governments can function reasonably well even in times of disasters.

Figure 1: Extent to which disaster resilience and recovery considerations are integrated into key PFM functions and processes.



NOTE: The assessment is based on the “Disaster Resilience and Recovery Public Financial Management Review”, developed by the World Bank Group’s Governance Global Practice, Latin America and Caribbean Team in 2019. It is an analytical instrument that seeks to help countries build resilient, responsive public financial management

systems by pinpointing critical PFM policies, practices, and procedures that can be strengthened to improve a government’s capability to respond more efficiently and effectively to disasters, without loss of the integrity and accountability. The DRR-PFM review focuses on five key elements of the PFM system: legal and institutional

foundations; budget appropriation arrangements; financial management controls; procurement arrangements, and public investment and asset management. Countries assessed in the sample include Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Lucia, and St. Vincent and the Grenadines.

KEY STRENGTHS

LEGAL AND INSTITUTIONAL FRAMEWORK

- Well-defined legal framework for prompting timely fiscal response to natural disasters.
- A legally established centralized authority for coordinating disaster response activities.
- Existence of a comprehensive national disaster response plan.

BUDGET APPROPRIATION

- Ex ante access to several disaster risk financing instruments to support response to disasters.
- A variety of warrant modalities for moving funds to facilitate quick response to disasters.

FINANCIAL MANAGEMENT CONTROLS

- Controls in place to reduce the risk of fraud in post-disaster spending.
- Disaster related expenditures can be tracked and are audited as part of regular expenditures.
- Data management is robust and business continuity and disaster recovery plans are in place.

PUBLIC PROCUREMENT

- Ministries maintain lists of suppliers who are able to supply their needs.

- Procuring entities can forego routine competitive procurement procedures to expedite response to disasters.

PUBLIC INVESTMENT AND ASSET MANAGEMENT

- Most major public investment projects are evaluated on the basis of considerations for climate adaptation options.
- Established mechanisms for fast tracking the selection, appraisal, and approval of urgent disaster recovery projects.

KEY CHALLENGES

LEGAL AND INSTITUTIONAL FRAMEWORK

Absence of simplified instructions on how to quickly administer financing for disaster response while adhering to prevailing laws and regulations.

Public finance officers are not adequately trained on disaster response management.

BUDGET APPROPRIATION

Inclusiveness and gender-sensitive considerations are absent in the allocation of resources for disaster response.

FINANCIAL MANAGEMENT CONTROLS

Disaster-related expenditures are not explicitly tracked and cannot be quickly aggregated.

Availability of timely and reliable information on disaster-related funding allocations is limited.

Auditing of disaster related expenditures is not frequent.

PUBLIC PROCUREMENT

Weak procurement planning and limited use of data to proactively inform and optimize procurement decisions.

Emergency procurement methods and procedures for determining qualifications and capacity of suppliers need to be strengthened.

PUBLIC INVESTMENT AND ASSET MANAGEMENT

Climate-informed selection criteria are not systematically applied in pre-appraisal of public investment projects.

No policy to govern the management of public assets.

OPPORTUNITIES

Streamlined instructions to inform budgetary units on the availability and proper use of exceptional measures.

Development and delivery of training to improve and reinforce the capability of staff to execute emergency finance procedures.

Inclusiveness and gender-sensitive considerations are incorporated in the allocation of resources for disaster response.

Enhanced chart of accounts to facilitate tracking of disaster related expenditures.

Enhanced fiscal transparency by publishing information on disaster related expenditures.

Development of a procedures manual for conducting post-disaster audits.

Strengthened contingency purchase planning to allow for the timely provision of goods, works, and services.

Creation of emergency procurement manuals to clarify how procurement should be conducted in times of urgency.

Formal mechanisms established and documented for the appraisal, selection, and approval of public investments.

Development of a climate change and disaster risk-responsive asset management policy.